

Message Text

CONFIDENTIAL

PAGE 01 KINSHA 01405 171548Z

53

ACTION XMB-04

INFO OCT-01 AF-06 EUR-12 ISO-00 TRSE-00 OPIC-03 OMB-01

COME-00 EB-07 AID-05 CIAE-00 INR-07 NSAE-00 INRE-00

SSO-00 /046 W

----- 117622

O R 171500Z FEB 76

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC IMMEDIATE 6541

INFO AMEMBASSY BRUSSELS

AMEMBASSY PARIS

CONFIDENTIAL KINSHASA 1405

PASS EXIM, OPIC, TREASURY, COMMERCE

E.O. 11652: GDS

TAGS: EGEN, EINV, CG

SUBJECT: EXIMBANK FINANCING FOR INGA-SHABA TRANSMISSION LINE

REF: A. STATE 026609 (NOTAL); B. STATE 033505;

C. KINSHASA 1263 (NOTAL); D. KINSHASA 1398

1. AS REPORTED REF D PRESIDENT MOBUTU HAS INITIALED PROPOSED IMF STANDBY AGREEMENT AND GOZ IS IN PROCESS OF IMPLEMENTING ITS STABILIZATION PROGRAM.

2. APPROPRIATE GOZ OFFICIALS HAVE SIGNED REPLY TO EXIMBANK LETTER OF JANUARY 15 AS REQUESTED BY REF A AND CIS REP NEVILLE ADAMS WILL DELIVER THIS LETTER TO EXIMBANK REPS WEDNESDAY, FEB 18.

3. MUANDA, FINANCE CABINET DIRECTOR, ASSURED EMBOFF FEB 17 THAT COMMISSIONER OF FIANCE BOFOSSA WILL TELEX APPROVAL TO IBRD LOAN OFFICER AS REQUESTED REF A.

4. REF B POINTS OUT ACUTE FINANCIAL PROBLEMS OF MORRISON-KNUDSEN CONCERNING THIS PROJECT AND STRESSES CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KINSHA 01405 171548Z

TIMELINESS OF EXIMBANK APPROVAL. LOCAL MK OFFICIALS

HAVE ALSO DISCUSSED WITH US POSSIBILITY THAT MK MAY DECIDE TO CEASE ALL OPERATIONS IF IT DOES NOT RECEIVE FIRM FINANCING COMMITMENT. THEY CONSIDER CRUCIAL DEAD-LINE TO BE ANNUAL BOARD MEETING SCHEDULED FEB 28 AT BOISE. THEY ARE AFRAID THAT INDEPENDENT MEMBERS OF BOARD MAY VOTE TO CEASE ALL OPERATIONS IN ORDER TO LIMIT MK LIABILITY IF IT DOES NOT APPEAR REASONABLY CERTAIN THAT EXIMBANK FINANCING WILL BE FORTHCOMING.

5. AS RESULT OF ABOVE FACTORS EMBASSY BELIEVES THAT GOZ HAS ESSENTIALLY COMPLIED WITH EXIMBANK PRE-CONDITIONS CONCERNING EXIMBANK FINANCING OF PROPOSED INGA-SHABA COST OVERRUN. WE CONSIDER THAT COMPLTION OF INGA-SHABA TRANSMISSION LINE IS OUR MOST IMPORTANT ECONOMIC INTEREST AT THIS TIME. FAILURE TO COMPLETE THE LINE WOULD NOT ONLY JEOPARDIZE RECOVERY OF EXIMBANK'S ALREADY LARGE OUTSTANDING INVESTMENT IN THIS PROJECT BUT WOULD ADVERSELY AFFECT USG-GOZ BILATERAL RELATIONS. GOZ HAS CONSISTENTLY REGARDED THE INGA-SHABA TRANSMISSION LINE AS A USG PROJECT AS THE CONTRACT WAS OBTAINED LARGELY AT BEHEST OF USG OFFICIALS AND BULK OF FINANCING WAS PROVIDED OR GUARANTEED BY USG AGENCIES.

6. TO SUMMARIZE, WE CONSIDER THAT COMPLETION OF THIS PRORITY GOZ ECONOMIC PROJECT IS ESSENTIAL FOR THE CONTINUATION OF GOOD RELATIONS BETWEEN OUR TWO GOVTS.

WALKER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, INGA SHABA, FINANCIAL PROGRAMS, ELECTRIC POWER PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 FEB 1976
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976KINSHA01405
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760059-0087
From: KINSHASA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760244/aaaabmeh.tel
Line Count: 88
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 STATE 26609
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 26 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 MAR 2004 by ElyME>; APPROVED <03 AUG 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXIMBANK FINANCING FOR INGA-SHABA TRANSMISSION LINE
TAGS: EGEN, EINV, CG, IMF, (MOBUTU SESE SEKO)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006